





Nate Boettcher, President and CEO

THE DEMAND FOR ENERGY, PART 2

Merry Christmas, Happy New Year, and a festive Holiday Season to you and your family.

After last month's article, you might be asking yourself whether electric rates are going up this year. It's a question we are faced with every year. We purchase our electricity from Dairyland Power Cooperative (DPC). Our rates are largely determined by the wholesale power cost charged by DPC. We've experienced rate increases from DPC just about every year for at least the last 10 years. At times, we've raised our rates; at other times we've cut expenses or taken other actions to prevent a rate increase. In 2022, we did not raise our rates and we are on track to end the year with a solid net margin. In fact, this past October, DPC added a \$0.024 per kilowatt hour charge to our bill. We did not pass this on to our members knowing that everyone is being hit with inflation. At the time of writing this article, we are expecting a 6.5% rate increase from DPC for 2023.

Our wholesale rate is a combination of several factors. We are charged for the electricity (kWh) that is generated, transmitted, and delivered to your home. We are charged for general costs, labor, and overhead to operate DPC. We are charged for the substations that are currently owned by DPC. By far the biggest portion of our monthly wholesale power bill is the transmission and capacity demand charge. The transmission charge reflects our system demand during the highest period each month.

The capacity charge, as discussed last month, is the summer and winter coincidental peak charges that are set during those load control or peak usage periods. We also learned that it's likely we will also have a fall and spring demand charge in the future. Our rates

will need to evolve to ensure we pay for capacity/demand charges.

The all-in wholesale rate converted to a per kWh rate makes up about 60% of our total retail kWh rate paid by you. The remaining 40% of the retail rate is used by PPCS to pay for our operational, sys-





tem improvements, and ongoing expenses to operate the co-op.

Wholesale power costs are subject to much broader market forces and frankly, they are outside PPCS control. Our rate from DPC is not a fixed rate for the year. The rate can go up and down. This past summer we saw a lot of volatility in the market and it caught up to us in October.

Load Management Changes

We are making changes to the load management program to accommodate shifts in daily demand peaks. Beginning with our winter season, residential members with managed water heating may be controlled at any time of day depending on system demand. Residential members with dual-fuel heat will be controlled in the morning and commercial members, such as dairy water heaters, grain drying, or generators, will be controlled in the evening. Some loads may also be controlled if there is an economic necessity. Daily offpeak storage load management times are unchanged. Go to www. piercepepin.coop/load-management to learn more.

As noted, the \$213,000 power cost adjustment from DPC hit us in October, but we absorbed this to ensure rate stability for all of you.

What does this mean for 2023 rates?

Our board of directors is tackling this very question as they are reviewing our 2023 budget. Our SwiftCurrent Connect broadband business is growing and broadband revenue has been healthy. Our directors are balancing the rising cost of energy rates and the impact of broadband revenue to determine our rates. Our directors take this job seriously, knowing that inflation is real. We will do everything possible to ensure that we provide fair rates and that your cooperative remains strong financially well into the future.

Tune in for Part 3 where will we discuss the rate structure we will look to implement in the spring of 2023. We hope you and your family have a wonderful holiday season and we look forward to 2023 with the hope and optimism of a bright year ahead.



Community Corner



The eight food pantries for Pierce and Pepin Counites each received a check for \$2,000, a total of \$16,000 to area food shelves. Barb Bee (second from right), PPCS senior accountant, and Mark Anderson (right), PPCS CFO/vice president, presented the checks.



St. Croix Valley SART received a \$1,000 check from Pierce Pepin Cares to assist with mental health vouchers for sexual assault victims. Pictured are Tom Gunderson (left), SART board chairman, with Barb Bee, PPCS senior accountant, and Mark Anderson, PPCS CFO/vice president.



Brad Ristow (left), PPCS vice president, operations, and Charity Lubich (right), PPCS vice president, member relations & human resources, presented Prescott Fire Department Chad Johnson, assistant chief, and Mitch Rhiel with a \$1,500 check for the purchase of AEDs.

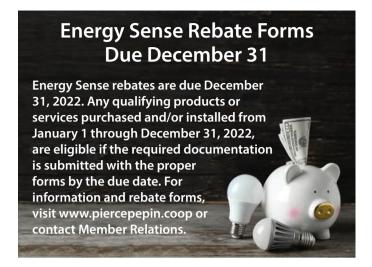


We're ending the year with a Round-Up Rally!

Every member enrolled in Operation Round Up will be entered in a prize drawing to win one of eight \$25 Visa gift cards. In addition to the gift card, each winner can select one of our 2022 Pierce Pepin Cares grant recipients to receive a bonus \$25 donation. Make sure you're enrolled in Operation Round Up today! Prize drawings will be held at the end of day on December 30.

2022 Pierce Pepin Grant Recipients

- · One of the eight local food shelves
- St. Croix Valley SART
- **Prescott Fire Department**
- **Basics for Local Kids**
- Our Neighbor's Place
- Ellsworth E3 Community Development Corp.
- Healing Play, Inc.
- Our Savior's Lutheran Church
- Pierce County 4H/FFA Livestock Committee
- **Lund Fire Department**
- Chippewa Valley Council, Boy Scouts of America (Pepin County)







YOU Get the Credit

PPCS refunds over \$1,100,000 to members

PPCS' board of directors has authorized the refund of \$1,105,805 in capital credits to current and inactive members of the cooperative who purchased electricity in 2002, 2003, and 2021. Members receiving less than \$100 will have the retirement applied to their December energy bill. For all others, a capital credit retirement check will be sent by mail.

One of the many benefits of belonging to an electric cooperative is that you are an owner. Unlike investor-owned utilities whose profits belong to the shareholders, in a co-op, any excess revenues (margins) over expenses belong to our members and are allocated back to you in proportion to your total electrical purchases for the year. These are called capital credits.

To date, PPCS has returned more than \$16.5 million in capital credits to its members.

REMINDER: Scholarships Available

PPCS is awarding three \$1,000 scholarships for high school seniors graduating in spring 2023. Applications are due by December 16, 2022. Go to www.piercepepin.coop under My Community for the rules and entry form.





KEEPING PETS AND ENERGY BILLS COMFORTABLE

Idon't know about you, but I consider my four-legged companion part of the family. I can't imagine life without our dog Harley. I know others feel this way, too. That's why during the winter months, we make sure our whole family, including our four-legged members, is cozy—without taking a big "bite" out of our budget.

I'd like to share a few simple ways you can make your home more comfortable this winter, which can ultimately help you save on energy bills.

At the onset of the cold weather season, we replace the HVAC filter for better air quality and to help the unit operate more efficiently. You can also keep your home cozier by caulking and

weatherstripping windows and doors. If your home is particularly chilly, you can tape or affix heavy, clear plastic to the inside of your window frames to create an additional barrier against the cold. Ensure that the plastic is tightly sealed to the frame to help reduce infiltration.

We know winter can be "ruff," so we set our thermostat at 68 degrees, a "purr-fect" temperature for people and pets. This is especially important for smaller, short hair and senior dogs—not just for warmth, but for their general health. Puppies, kittens, and older pets with arthritis or other ailments may have a harder time controlling their body heat and need the additional warmth when it's chilly out.

Pets that sleep close to the floor can be subject to cold drafts that enter your home through windows and exterior doors. If your pet's bed is near a window or door that feels drafty, tightly roll up a towel and place it near the bottom of the door or window to eliminate the draft. Cutting down on cold drafts helps everyone feel more comfortable during colder months.

If possible, elevate your pet's bed so it's not placed directly on a cold floor. An old chair or sofa cushion works well. If you don't use a dog bed, take some old blankets and create a donut shape on the cushion so the dog can snuggle and "nest" within the blanket.

You can do the same for cats but on a smaller scale. Blankets enable pets to nestle into them, even when they aren't tired, and provide a comfortable place for dogs and cats to curl up.

During the day, open your blinds and curtains to allow sunlight to warm your home. Close window coverings at night for an added layer of insulation.

At PPCS, we can't control the weather, but we can provide advice to help you save energy and keep your family and furry friends more comfortable during the winter season. We want to help you save energy and money. Download and enroll in our SmartHub app or visit our website at www.piercepepin.coop for additional energy-saving tips.



Ryan with his sons Preston, Mason, and Jameson and Harley. (Photo Credit: Brittani Meyer)

COOPERATIVE SERVICES



W7725 U.S. Highway 10, P.O. Box 420 Ellsworth, WI 54011-0420 715-273-4355 • 800-924-2133

info@piercepepin.coop • www.piercepepin.coop Follow us on Facebook, Twitter, and Instagram

Office Hours: Monday–Friday, 8 a.m.–4:30 p.m. Power Outages and Emergencies: 800-927-5705

Nate Boettcher, President & CEO

Board of Directors

District 9.....Daniel Reis